

AMENDED IN SENATE JULY 16, 2009

AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

## ASSEMBLY BILL

**No. 262**

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**Introduced by Assembly Member Bass  
(Coauthor: Assembly Member Fuentes)**

February 11, 2009

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An act to amend Sections ~~25450, 25450.1, and 25450.3~~ of, to add Section 25450.4 to, and to repeal and add Section 25450.2 of, the Public Resources Code, relating to energy.

### LEGISLATIVE COUNSEL'S DIGEST

AB 262, as amended, Bass. American Recovery and Reinvestment Plan: energy activities, programs, or projects.

Existing law requires the Public Utilities Commission, State Energy Resources Conservation and Development Commission (Energy Commission), and the Department of Water Resources to undertake various programs related to energy and water conservation.

This bill would require that any moneys received by the state pursuant to the federal American Recovery and Reinvestment Act of 2009 that are directed for energy-related activities, programs, or projects, be administered by the state's energy and water agencies, and provide that those activities, programs, or projects should adhere to the principle of accountability while also adhering to existing state policies to promote energy efficiency, promote water conservation, promote the development and use of renewable energy resources, protect the environment, and provide green job training.

Existing law requires the Energy Commission to administer funds allocated to and received by the state pursuant to the federal Energy Independence and Security Act of 2007. ~~Existing law provides that not more than 5% of the funds received is to be expended for administrative expenses.~~

This bill would additionally require the Energy Commission to administer funds allocated and received by the state pursuant to the American Recovery and Reinvestment Act of 2009 ~~and would increase the amount expended for administration expenses for these two purposes to not more than 10%. The bill would authorize the Energy Commission to adopt guidelines governing the awarding, eligibility, and administration of those federal funds.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Any moneys received pursuant to the federal  
2     American Recovery and Reinvestment Act of 2009 (Public Law  
3     111-5) that are directed for energy-related activities, programs, or  
4     projects, including energy efficiency and renewable energy  
5     programs, projects for the building of electrical transmission, and  
6     activities to create conservation or “green-collar” jobs, shall be  
7     administered by the appropriate state energy and water agencies  
8     and should adhere to the principle of accountability while also  
9     adhering to existing state policies to promote energy efficiency,  
10    including green building practices, promote water conservation,  
11    promote the development and use of renewable energy resources,  
12    protect the environment, and provide green job training.

13    SEC. 2. Section 25450 of the Public Resources Code is  
14    amended to read:

15    25450. (a) The Legislature finds and declares all of the  
16    following:

17    (1) The ~~100th~~ 110th Congress enacted the Energy Independence  
18    and Security Act of 2007 (42 U.S.C. Sec. 17001 et seq.) that  
19    establishes an energy efficiency and conservation block grant  
20    program to provide grants to eligible entities, including states and  
21    local governments, to help them reduce fossil fuel emissions,  
22    improve energy efficiency, and reduce overall energy consumption.

(2) Section 545(c)(1)(A) of the Energy Independence and Security Act of 2007 (42 U.S.C. Sec. 17155(c)(1)(A)) mandates that states receiving block grants under the act use not less than 60 percent of the grant amount to provide subgrants to local governments that are not eligible entities for the purposes of the act.

(3) The 111th Congress enacted the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) that appropriates funds for energy efficiency and conservation, water conservation, home weatherization, green workforce development, and renewable energy.

(b) It is the intent of the Legislature that the state achieve the purposes and implement the requirements for these energy and conservation block grant programs in the most expedient manner possible. Moreover, to the extent possible without causing undue delay, the commission shall look to the Energy Independence and Security Act of 2007 and the American Recovery and Reinvestment Act of 2009 programs and make policy decisions that leverage and maximize the use of these dollars, including, but not limited to, the areas of energy efficiency, renewable energy, water efficiency, weatherization, and green workforce development.

SEC. 3. Section 25450.1 of the Public Resources Code is amended to read:

25450.1. (a) The commission shall administer funds allocated to and received by the state pursuant to the Energy Independence and Security Act of 2007 (42 U.S.C. Sec. 17001 et seq.) and the American Recovery and Reinvestment Act of 2009 (Pub. Law No. 111-5).

(b) The commission may award grants from funds received pursuant to the Energy Independence and Security Act of 2007 and the American Recovery and Reinvestment Act of 2009, as well as enter into contracts to perform functions required to promptly award energy efficiency and conservation block grants.

~~SEC. 4. Section 25450.2 of the Public Resources Code is repealed.~~

~~SEC. 5. Section 25450.2 is added to the Public Resources Code, to read:~~

~~25450.2. The commission shall administer the funds received pursuant to Section 25450.1 in accordance with all applicable federal requirements regarding the use of those funds.~~

1     ~~SEC. 6. Section 25450.3 of the Public Resources Code is~~  
2     ~~amended to read:~~

3     ~~25450.3. The commission shall expend not more than 10~~  
4     ~~percent of the funds received pursuant to Section 25450.1 for~~  
5     ~~administrative expenses, that shall include, but are not limited to,~~  
6     ~~reporting and evaluation activities required by the Energy~~  
7     ~~Independence and Security Act of 2007 (42 U.S.C. Sec. 17001 et~~  
8     ~~seq.) and costs associated with the Statewide Cost Allocation Plan.~~

9     ~~SEC. 7. Section 25450.4 is added to the Public Resources Code,~~  
10    ~~to read:~~

11    ~~25450.4. (a) The commission may adopt guidelines governing~~  
12    ~~the award, eligibility, and administration of funding pursuant to~~  
13    ~~this chapter at a publicly noticed meeting. For the initial adoption~~  
14    ~~of guidelines, the commission shall provide written notice to the~~  
15    ~~public of not less than 30 days. For substantive amendments to the~~  
16    ~~guidelines, the commission shall provide written notice to the~~  
17    ~~public of not less than 10 days. Notwithstanding any other law,~~  
18    ~~guidelines adopted pursuant to this chapter shall be exempt from~~  
19    ~~the requirements of Chapter 3.5 (commencing with Section 11340)~~  
20    ~~of Part 1 of Division 3 of Title 2 of the Government Code.~~

21    ~~(b) Awards made pursuant to this chapter are subject to appeal~~  
22    ~~to the commission upon a showing that factors other than those~~  
23    ~~described in the guidelines adopted by the commission were~~  
24    ~~applied in making the awards and payments.~~